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SUBJECT: DAS BRYZA'S JANUARY 19 MEETING WITH GEORGIAN PRIME
MINISTER GURGENIDZE

REF: TBILISI 3098

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Classified By: Ambassador John F. Tefft, reason 1.4(b) and (d).

¶11. (S) Summary: In a January 19 meeting with Georgian Prime Minister Lado Gurgenidze, EUR DAS Matthew Bryza said that following Embassy Tbilisi's extensive review, the USG did not agree with opposition claims that massive fraud occurred or skewed the outcome of the January 5 presidential election, but did find there were serious irregularities which should be corrected before the parliamentary elections this spring. Gurgenidze promised the GOG will make improvements in election procedures. The Prime Minister expressed concern about Russian recognition of Abkhazia's independence after Kosovo's independence is recognized by the United States and other countries. He agreed with Bryza that vigorous diplomacy is needed to demonstrate to Russia it would be isolated were it to recognize Abkhazia. Bryza suggested that in any event, the focus of Georgia's friends in their Abkhazia diplomacy should shift to the bigger question of how to resolve the conflict. Gurgenidze said that Georgia is going to change its energy policy, and to reserve use of cheaper gas it receives for pipeline transit from Azerbaijan and Russia to supply residential customers and power generation. Industrial customers will have to pay the price demanded for gas, and the economy will have to absorb the shock. He expressed concern about the security implications of the upcoming transfer from Georgia of an Iranian arms dealer to the United States for prosecution. He also told Bryza that Georgia intends to pursue Badri Patarkatishvili and his assets, wherever they are, based on charges of treason. He alluded to the GOG's uncovering of still another failed coup plot involving Patarkatsishvili after the January 5 election. While U.S. company News Corporation may be interested in buying Imedi television, he said that it would be better for News Corp to establish an entirely new station on a different frequency if it is interested in doing business in Georgia, rather than seek to revive Imedi. End Summary.

TOWARD A BETTER PARLIAMENTARY ELECTION

¶12. (C) DAS Bryza congratulated Gurgenidze for President Saakashvili's impending inauguration. Gurgenidze promised his government would improve election procedures further in advance of the Spring parliamentary elections. Bryza agreed, saying this is crucial for Georgian democracy and for its NATO membership aspirations. He told Gurgenidze the USG view, following Embassy Tbilisi's extensive review of fraud claims, is that there were some serious election irregularities, but not massive fraud as alleged by the opposition. The U.S. Embassy and OSCE, as well as DAS Bryza

himself, had brought the irregularities to the attention of the government, which had provided explanations, and expressed willingness to improve. Bryza said that in his meetings with opposition leaders, they seemed to be beginning to understand the opportunity they now enjoy to win real power in Parliament, if they focus on developing and selling electoral platforms to voters rather than remaining focused on claims of fraud in the presidential election. Bryza told Gurgenidze that opposition leader Levan Gachechiladze seems worried that the radical elements of the opposition cannot be controlled. At the same time, Gachechiladze seems willing to move on, despite his refusal to admit the legitimacy of the Saakashvili government. Gurgenidze agreed the opposition has a good chance to succeed in the parliamentary elections, if they can articulate a message that is attractive to the voters. The National Movement knows it has its work cut out for it, he said.

KOSOVO INDEPENDENCE AND RUSSIAN RECOGNITION OF ABKHAZIA

¶3. (C) Gurgenidze expressed deep concern about the impending declaration of independence by Kosovo and recognition of it by the U.S. and EU. He sought clarification about when this might happen, and Bryza said that it may occur after elections in Serbia. Gurgenidze said he hopes it will take place after February. Bryza said that although previously it seemed that the Government of Russia was aware what a Pandora's box recognition of Abkhazia's independence would be, hard-liners in the Kremlin seem to be gaining strength. A Russian recognition may be becoming more likely, he said. Therefore, it is important to deploy a plan to isolate Russia on this issue, including vigorous diplomacy around the world.

Gurgenidze said that Georgia is already working hard to secure a non-recognition pledge from European governments.

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¶4. (C) Regarding the UN Friends process on Abkhazia, Bryza expressed regret that the international community is focusing solely on minutiae, such as the number of civilian police or a no first use of force pledge by Georgia, rather than on the urgent need for a political resolution of the Abkhazia conflict. There are tensions between Moscow and Sukhumi that offer opportunities, he said. Gurgenidze observed that tension would be exploitable only if Russia refuses to recognize Abkhazia's independence. Bryza said that a Russian recognition would change the rules of the game in the region, generating a new level of instability. The Abkhaz do not want to be absorbed by Russia, he said, and we need to determine whether the authorities in Sukhumi could in fact accept a confederation, or some other solution, but not get stuck on technicalities. Abkhaz de facto president Bagapsh is a pragmatist, with a Georgian wife, he noted. Gurgenidze worried that the 2014 Sochi Winter Olympics will bring a lot of money to Abkhazia that no pragmatist could resist. Bryza suggested that Moscow's desire for a secure environment for the Olympics may deter recognition. Georgia and the international community need to play to the desires of the Abkhaz who do not want to be part of Russia and offer an alternative vision of economic cooperation with Georgia related to the Olympics.

HOW TO IMPROVE RELATIONS WITH RUSSIA?

¶5. (C) Gurgenidze told Bryza that for him, it is hard to say what, if anything, Georgia can do to make recognition harder for Russia. He finds Russian overtures to end the wine ban disingenuous, although it is good there is a semblance of dialogue. In fact, he said, he does not care about or need the Russian market anymore, given Georgia's reorientation of its trade relationships. Russia's WTO accession is a card in Georgia's control, he said, and Georgia has not changed its position (reftel). The ball is in Russia's court to respond

to Georgia's proposal to solve the deadlock. He said that if Russia does not respond to the proposal by the end of November, he himself may attend the next Russia WTO accession working group meeting in Geneva. Georgia will use the time remaining before Kosovo's independence to try to find ways to improve bilateral relations with Russia, but there is little to work with beyond the wine and WTO issues. Bryza told Gurgenidze that senior Russian Foreign Ministry officials had recently acknowledged that South Ossetian de facto president Kokoity's days are numbered, and seem to be looking for a way forward, though Kremlin hard-liners may think differently. The Sochi Olympics might offer some prospects, he said, because Putin's personal reputation depends on their success.

Gurgenidze summed up by saying that Georgia is ready to improve Russian relations and move forward.

CHEAP GAS FOR HOUSEHOLDS AND POWER ONLY

¶ 6. (C) Gurgenidze announced a change in Georgian policy on natural gas imports. He said that the government had been paternalistic toward the market, trying to maintain a low overall blended price of gas for all consumers. Now it will reserve cheaper gas received in return for pipeline transit for household heating and power generation, and require industrial customers to buy gas at any price they can from Gazprom or Azerigaz. He predicted that Georgia will not need its thermal generating plants as much if its plans for more hydroelectric power production are realized in the near future. "The government will no longer go begging around the region for gas supplies," Gurgenidze said. He expects that the new policy will cost the Georgian economy about 2 percent of GDP, a blow the economy will be able to absorb, in his opinion. He reported that Georgia's attempts last year to persuade BP to be more flexible about supplying "reinjected gas" to the Azeri government had gone nowhere, but he understood BP's reasons for refusing to do so.

CONCERN ABOUT TRANSFER OF AN IRANIAN CRIMINAL

¶ 7. (S) Gurgenidze said that the GOG is very concerned about Iran's reaction to the upcoming transfer of Iranian arms trader, Amabeli, to the United States for trial. "It could get very nasty," Gurgenidze said. The Ambassador told Gurgenidze that the transfer would take place very fast to minimize dangers surrounding it. After that, he said, the Iranians may not make their objections public or follow through on their threats, in order to avoid further damage to their reputation. Gurgenidze was only partially reassured, saying that in some measure the Iranian reaction depends on how the USG plays the matter. He asked for a U.S. statement underlining our strong support for Georgia, both on this

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matter and in general.

PATARKATSISHVILI STILL PLOTTING, IMEDI NOT WORTH PURSUING BY NEWS CORP

¶ 8. (C) Bryza told Gurgenidze that the head of News Corporation's European operations, Martin Pompadour, is interested in working out a deal with the Georgian government to take control of Imedi Television from its owner Badri Patarkatsishvili, who admitted to offering USD 100 million to a senior Ministry of Interior official in a possible coup plot. Gurgenidze said that he had been speaking to Pompadour every day until recently, but had not heard from him in the past few days. It seemed to Gurgenidze that Patarkatsishvili is not interested in selling the station. Pompadour had suggested to Gurgenidze that a deal could involve getting Patarkatsishvili out of Imedi and out of Georgian politics, while allowing him to retain some of his assets. However, Gurgenidze continued, Imedi has very few assets, and he thinks News Corporation would be better off bidding for a new

television frequency and starting afresh. Such a deal would contradict Georgia's intention to pursue Patarkatsishvili on criminal charges of treason and subversion wherever he is. Gurgenidze said the government has evidence of a failed plot involving Patarkatsishvili and internal security officials which occurred even after the January 5 elections.

Patarkatsishvili needs relatively small amounts of money to continue such subversion and that is why the GOG wants to tie up as many of his assets as possible around the world, Gurgenidze said. Bryza emphasized that the USG does not want to interfere with the rule of law or a Georgian prosecution of Patarkatsishvili.

¶9. (U) This telegram has been cleared by DAS Bryza.
TEFFT